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Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 EUR-12 EA-07 ISO-00 TRSE-00 AID-05
L-03 H-01 OMB-01 PRS-01 CIAE-00 INR-07 NSAE-00
/055 W
----------180357Z 117416 /12
R 171737Z JUN 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 0333
INFO AMEMBASSY BERN
AMEMBASSY BONN
AMEMBASSY CARACAS
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
AMEMBASSY VIENNA

C O N F I D E N T I A L BRUSSELS 06295

E.O.11652: GDS
TAGS: EFIN, PO, BE
SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: STATE 127729 AND STATE 138098

1. THIS WEEK DCM RENNER SAW BOTH FOREIGN MINISTER SIMONET AND FINANCE MINISTER GEENS AND PRESENTED THE U.S. CASE FOR FINANCIAL ASSISTANCE FOR PORTUGAL. SIMONET WAS UNINFORMED BUT WAS GENERALLY SYMPATHETIC. GEENS HAD BEEN BRIEFED THOROUGHLY BY VAN YPERSELE AND SAW PROBLEMS.
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2. GEENS SAID THAT BUDGETARY AID WAS PRECLUDED. HE FAVORED A MULTILATERAL FRAMEWORK EITHER THROUGH THE EC OR AN AD HOC CONSORTIUM BASED ON THE OECD FINANCIAL SUPPORT FUND. RENNER REPLIED THAT AN EC EFFORT WOULD TAKE TOO LONG A TIME TO MOUNT AND THAT IT WOULD NOT BE REALISTIC TO ATTEMPT TO ORGANIZE AN FSF BASED

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CONSORTIUM. GEENS WAS ADAMANT, REPEATING THAT BELGIUM COULD NOT MAKE BUDGETARY AID AVAILABLE. RENNER ASKED WHETHER BELGIUM HAD CONSIDERED OFFICIALLY GUARANTEED PRIVATE BANK LOANS. GEENS WAS UNWILLING TO ENTERTAIN THIS POSSIBILITY. VAN YPERSELE THOUGHT THAT SOME OTHER COUNTRIES MIGHT BE INTERESTED IN AN FSF BASED CONSORTIUM. GEENS SAID THAT THIS POSSIBILITY SHOULD BE EXPLORED. VAN YPERSELE ASKED WHETHER THE U.S. WOULD BE OPPOSED IN PRINCIPLE. RENNER RESPONDED THAT WASHINGTON THOUGHT THIS APPROACH WAS UNDESIRABLE AND UNREALISTIC AND COULD LEAD TO UNRAVELING.

3. EVEN IN THE FACE OF OUR NEGATIVE ATTITUDE, THE BELGIANS PROBABLY WILL APPROACH SEVERAL OTHER COUNTRIES AND EXPLORE INFORMALLY THE POSSIBILITY OF AN FSF BASED CONSORTIUM.

4. IF THE U.S. WISHES TO TRY TO BLOCK THE BELGIANS, WE SHOULD INFORM THEM THAT THE U.S. OPPOSED IN PRINCIPLE TO EXPLORING THIS ROUTE. PLEASE ADVISE SOONEST. CHAMBERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, FOREIGN ASSISTANCE PROGRAMS, BALANCE OF PAYMENTS, GOVERNMENT DEBTS
Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
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Previous Handling Restrictions: n/a
Reference: 77 STATE 127729, 77 STATE 138098
Retention: 0
Review Action: RELEASED, APPROVED
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2117374
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: EFIN, PO, BE
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/3811fc7a-c288-dd11-92da-001cc4696bcc
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